ŁUKASZ Gacek, *Bezpieczeństwo energetyczne Chin: aktywność państwowych przedsiębiorstw na rynkach zagranicznych* [China's Energy Security: State-owned Companies Pursuits in Foreign Markets], Kraków: Księgarnia Akademicka, 2012. ISBN: 978-83-7638-190-9.

Within the last thirty years or so China has once again emerged as a significant player in the world's economic and political life. Chinese influence on international trade is now tremendous. It should then come as no surprise that the issue of energy supplies for China has become the subject matter of a book recently published by a Polish author.

The book entitled *China's Energy Security* is an overall depiction of both domestic and international aspects concerning the supply of energy resources for the fast growing economy of the Peoples' Republic of China in the 21st century. As its long title suggests, the book focuses on China's undertakings abroad. Nonetheless, the author sets stage by providing the reader with an overview of the energy supply *status quo* at home and only then proceeds to the main body of the work, which is China's presence on the international energy supplies markets.

Before plunging into the deep waters of statistical data and intriguing stipulations of international treaties, the author states a certain fact about raw-materials supply and suggest some future developments of the Chinese policy concerning the country's stance on its role in the world:

> "The endeavors to secure steady supplies of raw-materials remain an integral part of the world powers' struggle for supremacy in the world. The coming moves of Beijing consist in preparing the ground for the accomplishment of the future aspirations of a superpower."[1]

The book has been divided into three parts: 1. China's energy sector. The characteristics of main energy sources. 2. Chinese state-owned companies pursuits in foreign markets. 3. Securing raw-materials supply.

In the first part of the book we can learn how the Chinese economy deals with its energy demand. The author presents detailed statistical data on consumption and domestic production of all sorts of energy sources including coal, crude oil, natural gas, nuclear power and renewables.

The author draws our attention to the peculiarities of the structure of coal market in China. He states that the coal mines are ineffective and dangerous, which is, to a large extend, the unwanted outcome of their size:

> "Shenhua Coal, the biggest of them, has a mere 9% share in the market."[2]

As the coal mines are being shut down by the state and the market share of non-solid carbohydrates is growing, the author ventures a prediction:

> "Long term forecasts leave no doubt that crude oil and natural gas will become the basis for the making of the energy balance sheet in the future."[3]

The passage quoted above is to be found in the section entitled "The quest for crude oil". However, five pages earlier in the section entitled "Coal wealth" he has come up with a statement to the contrary:

> "In near decades, coal mining will certainly remain the key sector of the economy."[4]

If crude oil and natural gas are to constitute the base for energy supply, how will mining industry maintain its key role? Or do the "long term forecasts" concern the future beyond the "near decades" and reach far into the next centuries? Not very likely.

It does not escape the author's attention that the Chinese economy runs mostly on coal, although its share in energy consumption has been falling over the course of the

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[1] Łukasz P. Gacek, *Bezpieczeństwo energetyczne Chin: aktywność państwowych przedsiębiorstw na rynkach zagranicznych* [China's Energy Security: State-owned Companies Pursuits in Foreign Markets], Kraków: Księgarnia Akademicka, 2012, p. 22.

[2] *Ibid.*, p. 44.

[3] *Ibid.*, p. 50.

[4] *Ibid.*, p. 45.

last fifty years. He also points out an interesting fact that the Chinese were using crude oil and natural gas as early as 400 CE. A fact rarely mentioned in western literature.

In the first part the author also deals with such subject matters as: 1. Searching for new deposits of coal, oil and gas (also from shales) within China's territory including the seas. 2. The increase in the number of cars and new road both of which require crude oil products. 3. Carbon dioxide emission—China being the world's leader. 4. The perspectives and achievement of introducing green energy: water, wind, geothermal (which involves tourism), solar, etc.

In the second part of the book we can learn how the Chinese state under the guise of state-owned companies enters resource-rich countries to vie for the deposits for which their original owners have no much use except, of course, to sell them. Depicted are raw-materials exporters from the Middle East, Black Africa, Central and South-East Asia, Australia, Latin America. Even the Arctic has been mentioned as a possible source of energy supplies in the future.

The author claims that the Chinese view the trade with the Central Asian and Middle East states as a continuation or renewal of the old silk road that used to link the economies of the east and west for centuries in the past. That having been said, he proceeds to describe the "new silk road."

In addition to many numerical data presented in tables the author provides us also with various pieces of information that concern meetings of high state and company officials, establishing joint-ventures, treaties as well as the operations of bilateral and multilateral organizations and forums.

A separate section has been dedicated to each state discussed. Some take several pages (like that on Saudi Arabia) while some are less then one page long (e.g. Singapore). The structure and quantities of Chinese import and export with each of those countries have been put forward in much detail. Although the author focuses on how the Chinese acquire the precious deposits from their trade partners, he also mentions the non-strictly commercial activity of the Chinese. Building churches in Africa and printing copies of the Holy Bible for them is an example.

The author omits not to bring up the question of China's involvement in local economic and political structures. Among examples of such activity are Chinese investments in Africa.

The question of whether China's engagement in Africa is a form of new colonialism has also been brought up and both western and Chinese points of view have presented.

When it comes to Latin America, the author has a point when he writes that Latin America is a "significant challenge for Beijing"[5] as more than ten countries of the region still do not recognize the People's Republic of China and maintain diplomatic relations with the Republic of China based in Taiwan.

[5] *Ibid.*, p. 180.

The book deals also with issues which are heavily politicized like the dispute about Diaoyu/Senkaku Islands or the case of Australian Rio Tinto. The former is viewed as a grave obstacle for future Sino-Japanese relations. The latter draws our attention to the fact that international trade is not a fair play game. Instances of Chinese economic espionage have also been mentioned here.
There are special chapters on the relations between China and other world powers: the United States, Russia and India. With regard to Russia, for example, the author states, between others, the following:

> "The Arctic is a place where the interests of China and Russia may clash in the future."[6]

Such prediction are of course far-fetched, although not unrealistic.

In the third part of the book more attention is being paid to the safety of delivering the raw-materials from their sources of origin to their destination, i.e. China. The author refers here to the so-called bamboo network and string of pearls (a line of safety "check points" along the route from Africa to China) as important features of China's presence abroad. Bamboo network (i.e. Chinese diaspora) is no doubt one of the biggest assets of China abroad – a fact rarely mentioned in Polish media.

The third part is also more bent on the philosophical and ethical aspects of China's world-wide presence. The author links the so called soft-power to Confucianism which promotes mutual understanding and multicultural tolerance while it sees military actions as the last of possible solutions. This tenet of the Confusion philosophy has been nicely phrased in the *Three Character Classic*, a booklet, written in verse, which used to be an obligatory reading for every pupil in China in the olden days and is widely read and popular among schoolchildren and their teachers even today. The first stanza reads:

> "When we are born onto this world Good nature dwells within our hearts In nature we are all alike, 'This habits where the difference starts."[7]

The author of *China's Energy Security* does not cite this passage however, which is a pity, as it is a fit idea elegantly put.

The author also indicates that:

> „Beijing's economic policy does doubtlessly lead to a gradual subjugation of the weaker states."[8]

This is a possible outcome of Chinese involvement in the so-called LCD countries.

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[6] *Ibid.*, p. 150.

[7] WANG YINGLIN, ZHOU XINGSI, and LI YUXIU, *San zi jing – Bai jia xing – Qian zi wen Di zi gui* [Three Character Classic—One Hundred Family Names Classic—One Thousand Character Classic —Standards for being a Good Pupil and Child], ed. by Duangan Muming, Heifei: Huangshan Shushe, 2005, p. 2. (In my translation.)

[8] GACEK, *Bezpieczeństwo energetyczne Chin*, p. 270.

On the other hand, the author also point out that China, due to its interests in the LCD countries, turns into their quite powerful mouthpiece on the international scene, so that their voice has the chance to be heard. So, happy are the weak for they have gained the ear of the world. Still the cooperation with China has its flaws for the raw-materials exporting countries: as it has been pinpointed by the author, African states are overcome with heavy debts that do not stop increasing, unemployment rates are high as the Chinese import their own labor force, luxurious species of wood and illegally acquired ivory get exported on a regular basis and weaponry is brought in return.

The author mentions also the issue of rare earths, which important as it is for the world's economy, is not an energy question *per se*. It does concern security as these minerals are crucial in high-tech industry, but it is not the security of energy supply. So, the author has broaden the scope of his research a little bit.

In the concluding section of the book its author gives a short précis of what has been written in the previous chapters and states his opinion on the CPC's point of view:

> "The Communist Party of China, which rules the country, is aware that the legitimization of its power will be to a large extent conditioned by the economic success of the state."[9]

This view is perfectly rational and apparently true, although I am of the opinion that the author should have mentioned a similar process that had taken place in the 20th century right across the Taiwan Strait, where the economic success turned out not to be the source of KMT legitimization but of its downfall, when in 2000 the long suppressed opposition party eventually rose to power on the wings of middle class support.

This book is a detailed depiction of the state of affairs concerning Chinese activities in Africa, Asia, Australia and Latin America. It is full of neat tables providing statistical data which are in turn enriched with verbal information revealing historical, political and cultural aspects of Chinese international trade and diplomatic relations within the scope relevant to the issues of economy.

It is mainly informative. In addition to factual data, the author also feeds us with the opinions of scholars on various topics under discussion, both western and Chinese. It is a great reference book and/or starting point for all those who want to research Chinese international trade in a narrower scope and on deeper level than this book does. The purely analytical aspects of the book drown in the ocean of data and cited scholarship.

The book a few political maps at the end, showing the regions of the world that has been discussed. It has an index of geographical and personal names, which might come in handy. Although something must have gone wrong, since some page numbers are not correct, e.g. the index claims there should be the word "Poland" on the 68 page, but, instead, it is to be found on the previous page (not listed in the index).

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[9] *Ibid.*, p. 281.

All in all this is a unique book on the Polish market as it is a mind-blowing eye-opener for all those who have till now seen China as an exporter of labor-consuming goods only.

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